C EXIMPING 16 August 1956

1.	
e d	legiros to find the besis for a compression settlement in the
41	ispute.
	A. News's chief of cabinet, Ali Sabri, has expressed the
	pinion that with adequate sesurances from London, Cairo would
-4	onsider sensthing short of full international centrel. It
4	position for the section of the sect
1	ould be willing to consider an interpetional treaty, to be
	egistered with the United Estions, guaranteeing freedem of
ŧ	renait of the casel and with full provisions for sanctions
1	a cases of viciations.
	B. Sabri reportedly also insisted that Egypt could reach
	in agreement with Britain and other weers of the canal regard
3	ing an international convention regulating canal tolls, and
ŧ	that it would be willing to discuss an international advisory
	board with full rights of inspection.
	C. Ali Bahri arrived in London on 16 August, presumably
e.	to be in a position to exploit opportunities for compromise.
	s. Saleh Smlin, former Egyptian propagands minister, is
	S. Saleh Salin, former asyptism proposition
1	also is London through arrangement of the Cairo government.
	E. Egypt's private and public utterances, however, do
	not indicate that it is ready to accept the kind of arrange-
	ment the British and French are insisting of No Change in Class.

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- attempting to draw the West into some kind of prolonged negotiations, which might be difficult for the West to abandon. This meneuver appearantly sime at gaining time to develop broad intercational support for Ngypt's perceful and moderate stand.
  - A. Hear appears to have been successful in identifying his and Egypt's interests with those of other Arab countries. Examples are his references to the Sucs on the Arab canal, and other recent statements by Arab political leaders that a Vesters attack on Egypt would be followed by officially condend attacks on Hestern installations and personnel in other Arab countries.

- 4. Despite Near's hope for settlement, Cairo is sware that a gap remains between Egypt's demands and the position of the Nestern powers. Egypt is therefore rushing its preparations to resist Western military intervention.
- of troops and equipment in its effort to strongthen the defenses of the delta, the canal zone and the count. The extent of deployment from the largely front in the Sizel Perinsula is unknown, although a considerable amount of armor (possibly 3-3 regiments) and some artillery have been withdrawn. It is believed, however,

that Egypt's principal first line force remains in Sinei, refleating Hear's statement on 11 August that possible Israeli exploitation of the mituation worried him more than the possibility
of British and French military intervention.

- 5. Antimireraft and field artillary and armor have been observed moving west of Cairo, in the Alexandria area, and in the Western Desert. This redeployment reflects the belief that any attack extaids the casel some would be through the Western Desert—either overland from Libys or over the beaches west of Alexandria.
- 6. Egypt has instituted partial mobilization and has widely publicated the formation of a Mational Liberation Army, comprising the Mational Guard, youth battalions and volunteers. Even a women's battalion has been created. The government has also accounsed that arms would be issued to villages in the canal mean and other threatened areas.
- 7. The military effectiveness of the Egyptian army, together with its reserve forces, is strictly limited. Liberise, the current deployment effort is small and uniopressive. Hear is striving to create the impression of a united nation: determined to resist with all means available, however limited.

9. Meanwhile, early in the week Britain resumed the movement of troops to the Mediterranees by sirlift and by see -- an estimated 4,000 troops had left by 14 August. In view of the existing British and French military counitments in the Mediterranean area, their military moves to date have not resulted in assembling forces adequate for effective intervention against Ngypt.



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MATERIALE: THE SULE CRIBIS

## THE RETPYLAN ELLITARY ESTABLISHMENT

shout 96,000 men, of which 46,000 were deployed in the Sinei area at the beginning of the Suez crisis. Withdrawals from Sinai have probably not reduced the strength in Sinai appreciably below 40,000. The bulk of forces west of the canal are reserves and second line troops. Forty-one Conturion tanks (Sina gun) and about 30 T-34 tanks (Sina) have been reported in the Cairo and

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II. Air: Eygptien combat air strength includes approximately: 100 jet fighters, 9 piston fighters, 35 jet light bombers, and 5 piston medium bombers.

There is some evidence that Egypt has commenced efforts to disperse its coulet aircraft among an increased number of airfields in the delta-canal some area.

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